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QUARTERLY REPORT AS OF 31/03/2020
DEAG Deutsche Entertainment Aktiengesellschaft

// DEAG OVERVIEW

COMPANY PROFILE

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a leading entertainment service company and a provider of Live Entertainment in Europe. With its Group companies, DEAG has been active at 11 locations in its core markets of Germany, the United Kingdom and Switzerland for more than 40 years.

DEAG produces and profitably organises a broad range of events and concerts. As a Live Entertainment service company with an integrated business model, DEAG has extensive expertise in the organisation, marketing and holding of events, as well as in ticket sales via its own ticketing platforms, [‘MyTicket’](#) and [‘Gigantic.com’](#) for its own and third-party content. The highly scalable business model of MyTicket strengthens DEAG on its way to increasing profitability. DEAG promotes over 4,000 concerts and events a year and currently sells more than five million tickets – a steadily increasing share via its high-turnover ticketing platforms MyTicket and Gigantic.com.

Founded in Berlin in 1978 and listed since 1998, DEAG’s core businesses include Rock/Pop, Classics & Jazz, Family Entertainment and Arts+Exhibitions. The Family Entertainment and Arts+Exhibitions divisions in particular are of great importance to the further development of DEAG’s own content. With its strong partner network, DEAG is excellently positioned in the market as an internationally active Live Entertainment service company.

DEAG shares (ISIN: DE000A0Z23G6 | WKN: A0Z23G | ticker symbol: LOUD) are listed in the Prime Standard of the Frankfurt Stock Exchange, the quality segment of Deutsche Börse.

DEAG’S CORE MARKETS



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// DEAG ON THE CAPITAL MARKET

1.1 KEY SHARE DATA¹

ISIN	DE000A0Z23G6
WKN	A0Z23G
Market segment	Prime Standard
Average number of shares traded per day	65,226
Number of shares outstanding (2020-03-31)	19,625,976
Closing price for the quarter (2020-03-31)	EUR 3.68
High (01 Jan – 31 March 2020)	EUR 6.38
Low (01 Jan – 31 March 2020)	EUR 3.00
Market capitalisation (2020-03-31)	EUR 72.22 million
Designated Sponsor(s)	Hauck & Aufhäuser, Oddo Seydler

1.2 PERFORMANCE OF THE DEAG SHARE

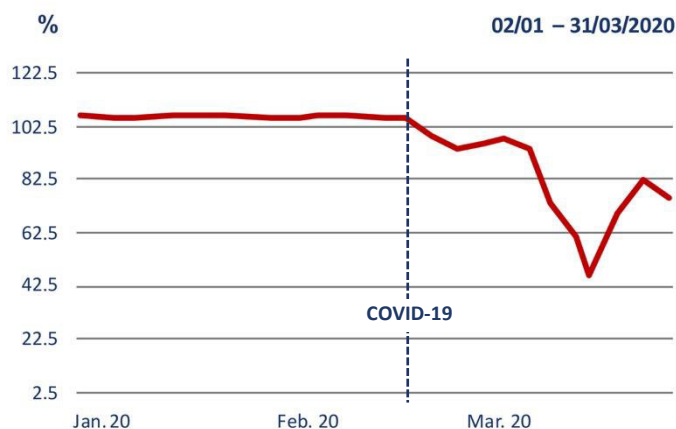
The DEAG share (WKN: A0Z23G, ISIN: DE000A0Z23G6, ticker symbol: LOUD) showed an ambivalent performance in the first three months of 2020. The DEAG share gained significantly in value in the period from the beginning of January to mid-February, whereas in the wake of the COVID-19 pandemic and the stock market crash associated with it, it suffered significant losses up until the end of March. The share price stood at EUR 3.68 on 31 March 2020 after posting a closing price of EUR 4.38 at the end of 2019. Thus, the decline of 16% in the first three months of 2020 was far less severe than that of the DAX and SDAX indices, which each recorded losses of 27% in the reporting period. The DEAG share showed a clear and continuous upward trend in the first weeks of financial year 2020. On 20 February 2020, the share reached its highest price in the reporting period at EUR 6.38. The DEAG share recorded its lowest price of EUR 3.00 on 18 March 2020. On the reporting date, DEAG's market capitalisation stood at EUR 72.22 million. The DEAG share is extremely liquid. The average number of shares traded per day in the period from January to the end of March was 65,226, of which 45,509 were traded on Xetra.



¹ All share prices listed are Xetra closing prices.

1.3 PERFORMANCE OF THE DEAG BOND 2018/2023

The DEAG corporate bond 2018/2023 (WKN: A2NBF2, ISIN: DE000A2NBF25), which is traded on the Open Market (Segment Quotation Board) of the Frankfurt Stock Exchange, showed a similar basic trend to the DEAG share between January and March 2020. From January to mid-February, the bond was quoted at prices of around 106%. The COVID-19 pandemic led to declines in the further course of the first quarter. At the end of the reporting period at the end of March 2020, the bond was quoted at a price of 76.00%.



The objective behind placing the bond on the capital market was to finance the internal and external growth of the company in its core markets and at the same time to optimise the financing structure. By issuing the bond with an issue volume of EUR 20 million and the subsequent placement of EUR 5 million in June 2019, DEAG secured long-term financing ensuring that it will be able to continue to grow sustainably and profitably in the future. The bearer bonds with a nominal value of EUR 1,000 each have a term of 5 years and an annual fixed interest rate of 6.00%.

1.4 ANALYSTS' ESTIMATES

Research experts at FMR Frankfurt Main Research AG, Hauck & Aufhäuser AG, Kepler Cheuvreux, MainFirst Bank AG, Montega AG and Solventis Beteiligungen GmbH currently (as of May 2020) follow the DEAG share. The average target price is EUR 5.60 (as of 27 May 2020), the vote is unanimously "BUY." Analyst studies are available on the company website of DEAG under Investor Relations/Analysts' Ratings.

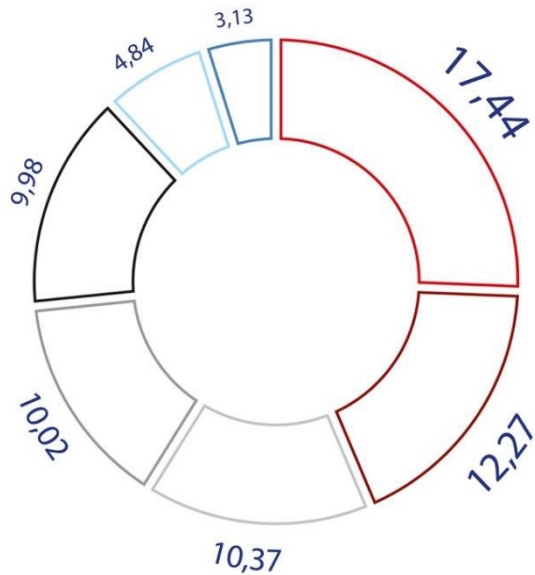
ANALYSTS	RECOMMENDATION	PRICE TARGET	DATE
Solventis Beteiligungen GmbH	Buy	5.20 EUR	2019-12-18
Montega AG	Buy	6.00 EUR	2020-04-20
FMR Frankfurt Main Research AG	Buy	5.70 EUR	2020-04-20
MainFirst Bank AG	Buy	5.50 EUR	2020-04-21
Hauck & Aufhäuser AG	Buy	6.70 EUR	2020-04-23
Kepler Cheuvreux	Buy	4.50 EUR	2020-04-24
PRICE TARGET (Ø)		5.60 EUR	

1.5 SHAREHOLDER STRUCTURE²

The basis for the DEAG shareholder structure is formed by the voting right notifications pursuant to Sections 21/33 of the German Securities Trading Act (WpHG), which have been sent to DEAG by shareholders subject to reporting requirements. Changes may have occurred in the following shares after publication of the respective voting rights notification. These were either not subject to reporting to DEAG (reporting thresholds were not affected) or were not reported to the company.

DEAG shareholder structure in % - all information is based on the most recent notification to the company by a person or company subject to the reporting obligation:

- Apeiron Investment Group Ltd [Christian Angermayer]
- SRE Holding GmbH [Samuel Singer]
- Plutus Holdings 2 Ltd
- Novofam Macro LLC [Michael Novogratz]
- Allianz Global Investors GmbH
- Quaero Capital Funds (LUX)
- Coeli Sicav II



The free float as defined by Deutsche Börse (guidelines for indices) is **56,01 %**.

Notifications of voting rights are always also published on the DEAG website in the Investor Relations section under the heading „Securities Transactions“.

1.6 INVESTOR RELATIONS

DEAG attaches the greatest importance to the need for information on the capital market and meets the highest transparency requirements with its listing in the Prime Standard of the Frankfurt Stock Exchange. Besides meeting its legal obligations, the company carried out a number of other IR activities in the first three months of financial year 2020:

- Participation in two capital market conferences
- Three national and international roadshows
- Numerous one-on-one meetings with investors at home and abroad
- Publication of four Corporate News

In order to meet its own objectives and those of its shareholders and stakeholders, the Executive Board of DEAG plans to maintain its investor relations activities at a high level on an ongoing basis. Furthermore, DEAG is increasingly entering into dialogue with international investors in the UK and the USA by holding roadshows and attending capital market conferences.

² Disclosures based on the latest voting rights notification pursuant to sections 21/33 WpHG

Detailed information on investor relations can be found at www.deag.de/ir. DEAG Deutsche Entertainment AG constantly offers information on all relevant business developments here. In addition, investors have a direct channel of communication with the company at deag@edicto.de.

FINANCIAL CALENDAR 2020

JAN: 28	ROADSHOW HAIB (London)
JAN: 29	ROADSHOW HAIB (Paris)
FEB: 04	HIT I HAMBURG INVESTORS DAY (Hamburg)
FEB: 14	ROADSHOW JEFFERIES (Frankfurt am Main)
MAR: 18	METZLER MICRO CAP DAYS (Conference Calls)
APR: 06	ANNUAL FINANCIAL REPORT 2019
APR: 07	ROADSHOW ODDO SYDLER (Conference Calls/Luxembourg)
APR: 28	ROADSHOW MONTEGA (virtual/Germany-wide)
MAY: 28	QUARTERLY FINANCIAL STATEMENT (3M)
JUN: 25	ANNUAL GENERAL MEETING (virtual)
AUG: 28	HALF-YEAR FINANCIAL REPORT (6M)
SEP: 02 - 03	GERMAN FALL CONFERENCE (HERBSTKONFERENZ Frankfurt am Main)
NOV: 16 - 18	GERMAN EQUITY FORUM (Dt. EIGENKAPITALFORUM Frankfurt am Main)
NOV: 30	QUARTERLY FINANCIAL STATEMENT (9M)

// INTERIM GROUP MANAGEMENT REPORT

KEY OPERATIONAL DEVELOPMENTS

DEAG Deutsche Entertainment AG (“DEAG”) reports that its business developed successfully in the first quarter of 2020. The COVID-19 pandemic affected current business activities only to a relatively minor extent in the months January to March. Group sales in the first quarter amounted to EUR 26.2 million after EUR 25.5 million the previous year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 1.2 million (previous year: EUR 1.0 million). Both sales and EBITDA were thus in line with the original planning for financial year 2020, which was prepared before the outbreak of COVID-19.

In particular, the Group’s own ticketing platforms myticket.de, myticket.at, myticket.co.uk and Gigantic.com for the company’s own and third-party content, through which an increasingly higher share of ticket sales for events is being handled, contributed to the positive development in the first quarter. At the beginning of March, for example, only two hours after the start of advance ticket sales, 65,000 personalised tickets for the concerts of Böhse Onkelz in the fall of 2020 were sold exclusively via MyTicket. The immense and consistently growing importance of the ticketing business for DEAG’s integrated business model is underpinned by Moritz Schwenkow’s appointment as Chief Ticketing Officer (CTO) of DEAG as of 1 April 2020. As CTO, he is responsible for DEAG’s entire ticketing business and for exploiting synergies between the ticketing platforms myticket.de, myticket.at, myticket.co.uk and Gigantic.com. As CTO, he is also responsible for expanding the ticketing business into other European countries and, in the long term, for consolidating all ticketing activities.

In the Family Entertainment division, formats such as “Disney on Ice” enjoyed great success with audiences. The format was further expanded in the first quarter as part of the company’s expansion plans. New venues were added in Düsseldorf, Stuttgart and Geneva. The Arts+Exhibitions division also continued to show high growth. The Christmas Gardens, for which the number of venues has been doubled to six, is enjoying great popularity. Madrid, Spain, was added for the first time as a venue in another European country. The Christmas Gardens drew a total of 950,000 visitors in the 2019/2020 season, which runs until mid-January 2020, around 200,000 of whom attended it in Madrid. The growth of the Christmas Gardens is to be further promoted in 2020 and the number of venues is to be increased to eleven.

In the Rock/Pop division, fans of hard rock music in particular definitely got their money’s worth in the first quarter of 2020. The U.S. rock band Papa Roach generated a lot of excitement during their European tour together with the musicians from Hollywood Undead in Munich. In Cardiff, Wales, the Stereophonics played to a sold-out audience. The heavy metal band Sabaton gave guest performances in Zurich and London. DEAG also arranged top-class concerts in the Classics & Jazz division. The performances of Anna Netrebko and her husband Yusif Eyvazov were a great success, as were the concerts given by the star trumpeter Till Brönner, Juan Diego Flórez, Joja Wendt and Martin Kohlstedt.

DEAG has been working on innovative new event concepts for the coming quarters together with its partners in order to offer visitors culture and entertainment even in times of the pandemic. This includes formats such as the “BW-Kulturwasen” in Stuttgart and the “Stage Drive Kulturbühne” in Frankfurt/Main as well as other formats in the UK.

DEAG reacted to the COVID-19 pandemic quickly and in good time and has been able to postpone around 85% of the events to future quarters and the following year 2021 thus far. The company has full insurance coverage with one of the largest insurance groups to cover cancellations ordered by the authorities (force majeure). The claims are being handed smoothly and without any problems. The first events that incurred losses have already been processed by the insurance company and a euro amount in the mid one-digit millions has been transferred to DEAG. Moreover, DEAG was able to further strengthen its good liquidity position with additional credit lines from banks and funds from government support programmes. Furthermore, the monthly fixed costs have been significantly reduced through strict cost management, including short-time working in Germany, the UK and Switzerland. At least one employee is regularly on site at the office, however, while taking all applicable

regulations into account. DEAG expects a material decline in sales and earnings for financial year 2020 due to the COVID-19 pandemic. The goal remains to achieve positive EBITDA for 2020, however, depending on the duration and the course of the pandemic. In light of its financial resources of more than EUR 60 million, DEAG considers itself well positioned to weather the crisis, also beyond 2020.

EARNINGS POSITION

The DEAG Group got off to a successful start into financial year 2020. Sales increased by 3% to EUR 26.2 million (previous year: EUR 25.5 million).

Gross profit of EUR 7.0 million was achieved (previous year: EUR 6.5 million). The gross margin thus rose slightly to 27% after 26% the previous year. Besides the Christmas Gardens in January and the sold-out classic concerts in the Elbphilharmonie (Hamburg), the Ticketing division in particular contributed to the positive business development.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) also increased and amounted to EUR 1.2 million after EUR 1.0 million in the same period last year. This represents a 20% increase.

Due to higher depreciation and amortisation, which mainly relates to leasing usage rights (EUR 0.7 million, previous year: EUR 0.3 million) and to the acquisitions made last year (EUR 0.4 million), EBIT for the first quarter was EUR -0.7 million after slightly positive EBIT the previous year.

The financial result of EUR -1.0 million is unchanged compared to the previous year and mainly comprises the net interest result.

After taking tax expenses into account, income from continuing operations amounted to EUR -1.8 million as of the quarterly reporting date (previous year: EUR -1.4 million).

ASSET POSITION

Total assets increased by EUR 5.7 million or 3% and amounted to EUR 190.9 million as of the quarterly reporting date (31 December 2019: EUR 185.2 million).

Current assets increased by EUR 6.7 million to EUR 86.1 million (31 December 2019: EUR 79.4 million). This change is mainly due to the reporting date and is largely attributable to the increase in cash and cash equivalents by EUR 4.5 million. Compared to 31 March 2019, cash and cash equivalents increased by EUR 16.3 million.

Non-current assets declined slightly by EUR 0.9 million to EUR 104.8 million, mainly due to scheduled depreciation and amortisation.

Other current liabilities increased by EUR 8.7 million to EUR 113.5 million compared to 31 December 2019. This is mainly due to the increase in contractual liabilities by EUR 8.1 million. Compared to the same quarter of the previous year, there was an increase in contractual liabilities of EUR 14.5 million. An indicator for very good pre-sales compared to previous year and previous year's first quarter respectively, is the balance of prepayments, defined as the difference between contractual liabilities and payments made. The balance amounted to EUR 40.3 million and rose by EUR 2.8 million compared to 31 December 2019 (31 December 2019: EUR 37.5 million) and by even as much as EUR 11.1 million as of 31 March 2019 (31 March 2019: EUR 29.2 million).

Non-current liabilities of EUR 54.1 million decreased slightly by EUR 1.1 million (31 December 2019: EUR 55.2 million).

Equity amounted to EUR 23.3 million (31 December 2019: EUR 25.2 million). This resulted in a slightly lower equity ratio of 12.2% (31 December 2019: 13.6%).

FINANCIAL POSITION

Cash flow before changes in net working capital amounted to EUR -1.1 million, compared to EUR -1.7 million in the same period of the previous year.

The cash inflow from operating activities (total) of EUR 4.5 million after a cash outflow of EUR 1.1 million in the comparable period of the previous year is mainly due to the change in working capital, in particular the increase in current liabilities.

Cash outflow from investing activities amounted to EUR 0.8 million after EUR 0.4 million in the same period of the previous year. The change is mainly due to the payment into the capital reserve of an investment.

The cash inflow from financing activities of EUR 1.5 million (previous year: EUR 0.0 million) primarily relates to the utilisation of existing credit lines as well as scheduled repayments of acquisition credit lines.

As a result, cash and cash equivalents increased by EUR 4.5 million to EUR 50.8 million at the end of the reporting period.

As of 31 March 2020, the Group had financial resources of EUR 60.0 million, consisting of EUR 50.8 million in available liquidity and EUR 9.2 million in available credit lines.

DEVELOPMENTS OF THE SEGMENTS

DEAG reports in an unchanged segment structure. This presents the activities of the Group clearly and accurately:

The **Live Touring segment** (“travelling business”) includes the tour business. This comprises the activities of the companies DEAG Classics (Berlin), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Wizard Promotions Konzertagentur (Frankfurt/Main), Grünland Family Entertainment (Berlin), Global Concerts Touring (Munich), Christmas Garden Deutschland (Berlin), I-Motion GmbH Event & Communications (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), the subgroup Gigantic Holdings Ltd. including Myticket Services Ltd. (London, UK), the subgroup Kilimanjaro (London, UK) including the Flying Music Group and The Classical Company (Zurich, Switzerland).

The **Entertainment Services segment** (“stationary business”) comprises the regional business and the entire service business. This includes the activities of the AIO Group (Glattpark, Switzerland) including the subgroup Live Music Production SA (LMP)/ Live Music Entertainment SA (LME); both based in Le Grand-Saconnex, Switzerland, Global Concerts (Munich), Concert Concept (Berlin), the subgroup C² CONCERTS (Stuttgart), Grandezza Entertainment (Berlin), River Concerts (Berlin) and Elbklassik (Hamburg), handwerker promotion (Unna), LiveGeist Entertainment (Frankfurt/Main), Kultur- und Kongresszentrum Jahrhunderthalle (Frankfurt/Main), FOH Rhein Main Concerts (Frankfurt/Main) as well as mytic myticket (Berlin) and Kultur im Park (Berlin).

Segment performance at a glance:

Live Touring

Despite slightly lower sales of EUR 13.0 million after EUR 15.4 million in the same period of last year, EBITDA increased by EUR 0.3 million to EUR 1.4 million. This is due to more profitable event formats, especially in the Classics & Jazz business segment.

Entertainment Services

The segment’s sales increased to EUR 15.7 million from EUR 11.9 million the year before.

EBITDA also rose by EUR 0.3 million to EUR 1.3 million. Besides the Christmas Gardens in January and the events held in the Jahrhunderthalle, the ticketing business via the company’s own ticketing platforms “MyTicket” also contributed to this positive development.

RISK AND OPPORTUNITY REPORT

For information on DEAG's risks and opportunities, please refer to the Risk and Opportunity Report of the Combined Management Report and Group Management Report (p. 44 ff.) published in the Annual Financial Report as of 31 December 2019.

The risk associated with the spread of COVID-19 in particular could have a significant impact on the DEAG Group's business development. In the meantime, the risk has increased significantly and the duration of the pandemic remains unclear.

Extensive measures were taken in the first quarter of the financial year to mitigate the effects of the risk, in addition to the existing insurance coverage, to reduce material and personnel costs and to strengthen the Group's liquidity.

The Executive Board of DEAG assumes at the time of this quarterly report that the risks do not endanger the continued existence of the company or the Group. However, it cannot be ruled out that the COVID-19 pandemic or other influencing factors which are currently either not known or not considered to be significant could affect the continued existence of the company or the Group in the future.

All other statements made in the Risk and Opportunity Report in the Annual Financial Report 2019 remain valid.

FORECAST-REPORT

The Executive Board expects to see a material decline in sales and earnings in financial year 2020 compared to the previous year due to the ongoing COVID-19 pandemic, which has been affecting DEAG's operating business in its core markets since the end of March 2020. At present, it cannot be ruled out that the period for which events are banned will be extended beyond August 2020 and that cancellations and further postponements to the following year will become necessary. For this reason, it is impossible to provide a detailed outlook based on the balance sheet date from today's perspective.

Depending on the duration and the course of the pandemic, however, the goal remains to achieve positive EBITDA for the financial year. In particular, the monthly fixed costs are being reduced significantly through strict cost management, including short-time working.

With financial resources of currently more than EUR 60 million consisting of available liquidity, credit lines with banks, grants from aid programmes and insurance payments, DEAG considers itself strongly positioned to weather the crisis, also beyond 2020.

Given the nature of DEAG's business activities as the parent company, its future development is closely linked to the development of the Group. For this reason, reference is made to the Group's forecast above, which also represents management's expectations regarding the development of the parent company.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assumptions and forecasts made by DEAG's management. Such statements are subject to risks and uncertainties. These and other factors could cause the results, financial position, developments or performance of the company to differ materially from the estimates provided here. The company assumes no obligation whatsoever to update these forward-looking statements or to adjust them to future events or developments.

// CONSOLIDATED FINANCIAL STATEMENTS

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// CONSOLIDATED BALANCE SHEET

TOTAL ASSETS

	2020	2019	2019
	31.03.2020	31.12.2019	31.03.2019
	in EUR '000	in EUR '000	in EUR '000
Liquid funds	50,814	46,341	34,559
Trade receivables	7,097	12,704	7,781
Down payments	17,433	12,056	14,463
Incom tax receivables	607	520	2,549
Inventories	1,240	1,064	74
Other current financial assets	5,264	3,794	2,426
Other current non-financial assets	3,669	2,956	2,237
Current assets	86,124	79,435	64,089
Goodwill	33,580	33,379	23,997
Other intangible assets	31,582	32,806	13,536
Tangible fixed assets	24,891	26,094	19,414
Investment properties	5,625	5,625	5,625
Investments	3,658	2,340	2,148
According to the equity method accounted financial assets	51	49	1,214
Down payments	500	500	3
Other long-term financial assets	3,339	3,392	2,503
Deferred tax assets	1,557	1,558	1,296
Long-term assets	104,783	105,743	69,736
Total assets	190,907	185,178	133,825

TOTAL LIABILITIES AND EQUITY

	2020	2019	2019
	31.03.2020	per 31.12.2019	31.03.2019
	in EUR '000	in EUR '000	in EUR '000
Bank loans payable	13,804	10,959	12,450
Trade accounts payable	12,904	18,337	6,064
Accruals	6,550	7,408	6,567
Convertible bond	-	-	4,300
Contract liabilities	58,190	50,001	43,698
Income tax liabilities	2,035	2,111	1,247
Other current financial liabilities	16,835	10,875	4,125
Other current non-financial liabilities	3,176	5,118	3,311
Current liabilities	113,494	104,809	81,762
Accruals	281	279	239
Bond	24,089	24,032	18,860
Bank loans payable	3,089	2,995	1,333
Contract liabilities	-	93	-
Other long-term financial liabilities	19,946	20,882	15,240
Deferred taxes	6,685	6,932	3,349
Long-term liabilities	54,090	55,213	39,021
Share capital	19,625	19,625	18,396
Capital reserve	28,695	28,695	42,508
Retained earnings	-466	-466	-466
Accumulated deficit	-38,301	-36,495	-53,462
Accumulated other income	2,050	1,698	1,592
Equity attributable to DEAG shareholders	11,603	13,057	8,568
Equity attributable to non-controlling interest	11,720	12,099	4,474
Equity	23,323	25,156	13,042
Total liabilities and equity	190,907	185,178	133,825

// CONSOLIDATED STATEMENT OF INCOME

	01.01.2020 -31.03.2020	01.01.2019 -31.03.2019
	<u>in EUR '000</u>	<u>in EUR '000</u>
Sales	26,152	25,466
Cost of sales	-19,119	-18,965
Gross profit	7,033	6,501
Distribution costs	-3,422	-2,871
Administration costs	-4,809	-3,853
Other operating income / expenses	456	258
Operating result (EBIT)	-742	35
Interest income and expenses	-965	-918
Income from investments	21	-2
Income shares in companies accounted for using the equity method	-30	-51
Financial result	-974	-971
Result before taxes (EBT)	-1,716	-936
Income taxes	-175	-70
Group result from continued operations after taxes	-1,891	-1,006
Group result from discontinued operations after taxes	-	-1
Group result after taxes	-1,891	-1,007
thereof attributable to non-controlling interest	-85	348
thereof attributable to DEAG shareholders (Group result)	-1,806	-1,355
Earnings per share in EUR (diluted/undiluted)		
from continued operations	-0.09	-0.07
from continued and discontinued operations	-0.09	-0.07
Average no. of shares outstanding (undiluted)	19,625,361	18,396,808

// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	I/2020	I/2019
from 01 January to 31 March	in EUR '000	in EUR '000
Group result after taxes	-1,891	-1,007
Other result		
(+/-) Differences from exchange rates (independent foreign units)	474	-57
Total result	-1,417	-1,064
Thereof attributable to		
Non-controlling interest	88	261
DEAG Shareholders	-1,506	-1,325

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2020 -31.03.2020	01.01.2019 -31.03.2019
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	-1,891	-1,006
Depreciation and amortisation	1,928	954
Change in accruals	-887	-1,723
Changes not affecting payments	-14	-15
Deferred taxes (net)	-246	56
Result from valuation of affiliated companies	30	51
Cash flow	-1,080	-1,683
Net interest income	965	918
Change in working capital	4,566	-351
Net cash from operating activities from continued operations	4,451	-1,116
Net cash from operating activities from discontinued operations	-	-1
Net cash from operating activities (total)	4,451	-1,117
Net cash from investment activities from continued operations	-783	-379
Net cash from financial activities (total)	1,537	-83
equivalents	5,205	-1,579
Effects of exchange rates	-732	-289
Cash and cash equivalents at beginning of Period	46,341	36,427
Cash and cash equivalents at end of period	50,814	34,559

// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	As of 31 Dec 2018 <u>in EUR '000</u>	changes during 01 Jan 2019 to 31 Mar 2019 <u>in EUR '000</u>	As of 31 Mar 2019 <u>in EUR '000</u>
Share capital	18,396	-	18,396
Capital reserve	42,508	-	42,508
Retained Earnings	-466	-	-466
Accumulated deficit	-52,107	-1,355	-53,462
Accumulated other income	1,563	29	1,592
Equity attributable to DEAG shareholders	9,894	-1,326	8,568
Equity attributable to non- controlling interest	5,054	-580	4,474
Equity	<u>14,948</u>	<u>-1,906</u>	<u>13,042</u>

	As of 31 Dec 2019 <u>in EUR '000</u>	changes during 01 Jan 2020 to 31 Mar 2020 <u>in EUR '000</u>	As of 31 Mar 2020 <u>in EUR '000</u>
Share capital	19,625	-	19,625
Capital reserve	28,695	-	28,695
Retained Earnings	-466	-	-466
Accumulated deficit	-36,495	-1,806	-38,301
Accumulated other income	1,698	352	2,050
Equity attributable to DEAG shareholders	13,057	-1,454	11,603
Equity attributable to non- controlling interest	12,099	-379	11,720
Equity	<u>25,156</u>	<u>-1,833</u>	<u>23,323</u>

// SELECTED EXPLANATORY NOTES

NOTES PURSUANT TO IAS 34

This quarterly report, comprising the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Cash Flows, the Condensed Consolidated Statement of Changes in Equity and selected explanatory notes, have been prepared in accordance with the IFRSs of the IASB applicable to interim financial reporting as adopted by the European Union, the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB and the applicable provisions of the German Securities Trading Act (WpHG).

The quarterly report as of 31 March 2020 do not contain all the disclosures and information presented in a complete set of Annual Financial Statements. It is therefore advisable to read this quarterly report together with the Consolidated Financial Statements as of 31 December 2019.

The accounting, consolidation, currency translation, recognition and measurement principles applied in the Consolidated Financial Statements as of 31 December 2019 have been retained for the most part. Please refer to the Notes to the Consolidated Financial Statements contained in the Annual Financial Report 2019 (pages 66-81).

For selected segment information (IAS 34.16A), please refer to the section “Development of the Segments” in the Interim Group Management Report.

The report has not been audited, nor has it been reviewed by an auditor.

CHANGES IN THE SCOPE OF CONSOLIDATION

In the Interim Consolidated Financial Statements, DEAG, as the parent company, includes those companies in which the control concept is fulfilled. Companies that were founded, acquired or sold during the reporting period are included from the date of foundation, acquisition or up until the date of sale. There were no changes in the scope of consolidation in the reporting period.

The purchase price allocation for the shares in Gigantic Holdings Ltd., UK, acquired in December 2019, had not yet been completed as of the quarterly reporting date and was therefore included in the Consolidated Financial Statements at provisional values unchanged from 31 December 2019 (refer to pages 92 and 93 in the Notes to the consolidated financial statements included in the Annual Financial Report 2019).

SUPPLEMENTARY REPORT

The Federal Cabinet in Germany adopted a regulation at the beginning of April 2020, based on the proposal submitted by the (small) Corona Cabinet, which entitles organisers of leisure events to give holders of an admission ticket a voucher rather than a refund of the admission price plus the advance booking fee. The voucher can then be redeemed for either a follow up event or an alternative event. However, the holder of the voucher may demand payment of the voucher amount if he or she cannot be reasonably expected to accept the voucher due to his or her personal circumstances or if the voucher is not redeemed by 31 December 2021. The regulation came into force on 20 May 2020.

Furthermore, in the view of the Executive Board, no significant events occurred after the end of the reporting period on 31 March 2020 that could have a significant influence on the earnings, assets and financial position of DEAG.

OTHER DISCLOSURES

The Annual General Meeting of DEAG will take place in accordance with the new regulations of the German Stock Corporation Act as an online Annual General Meeting without physical participation of the shareholders on 25 June 2020.

Further explanatory notes required by IAS 34.15ff are not relevant, of secondary importance or there have been no significant changes since 31 December 2019.

Berlin, 28 May 2020

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

// LEGAL NOTICE

// CONTACT

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// MORE INFORMATION

This Quarterly Financial Report and the latest information on DEAG and the DEAG share are available on the company's website under: www.deag.de/ir

// EDITING AND COORDINATION

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